

Message Text

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PAGE 01 MEXICO 00751 291937Z

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SUBJECT: FY-1975 COMMERCIAL OBJECTIVES

REF: A) STATE 128397, 6/30/73 B) STATE 234462, 11/30/73

C) MEXICO 5245, 7/17/73 D) MEXICO 6931, 9/14/73

E) STATE 006882

1. THE FOLLOWING ARE COMMENTS ON OBJECTIVE #1 OF THE 1974 COMMERCIAL OBJECTIVES SUBMITTED IN REF C, WHICH WAS GIVEN HIGHEST PRIORITY. RECENT STUDIES OF MEXICAN IMPORT LICENSING PROGRAM INDICATE THAT NUMBER OF PRODUCTS REMOVE FROM LICENSING PROCEDURE IS EXCEEDED BY APPROXIMATELY 9 TO 1 BY PRODUCTS ADDED TO THE LIST REQUIRING LICENSE, NOT INCLUDING PRODUCTS WHOSE PERIODS HAVE EXPIRED AND HAVE BEEN REMOVED. EXTENSIONS NUMBER ROUGHTLY THE SAME AS ADDITIONS. GIVEN MEXICO'S GREAT IMBALANCE OF TRADE, IT IS OBVIOUS THAT EVEN THOUGH LARGELY COMPENSATED WITH THE US BY TOURISM, DIRECT PRIVATE INVESTMENT AND BORDER TRANSACTIONS, LITTLE RELAXATION IN THE HIGH LEVEL OF IMPORT PROTECTION CAN BE EXPECTED IN THE FORESEEABLE FUTURE. THEREFORE, ALTHOUGH WE STILL CONSIDER THIS OBJECTIVE AN IMPORTANT ONE IN THE LONG TERM, IT IS NOT REALISTIC TO EXPECT MUCH PROGRESS IN FY 1975, AND WE SHOULD ACCORDINGLY PLACE IT ON THE BACK BURNER IN THE ORDER OF OUR PRIORITIES.

2. SUGGESTED COMMERCIAL OBJECTIVES FOR FY-1975:

A: OBJECTIVE NO.1: IDENTIFICATION OF LARGE SPENDING PLANS. ACTION ONE: STUDY THE ANNUAL BUDGETS OF THE VARIOUS SECRETARIATS AND DECENTRALIZED AGENCIAS TO DETERMINE THEIR PLANS
UNCLASSIFIED

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PAGE 02 MEXICO 00751 291937Z

FOR THE FUTURE AND THE PRIORITY THEY ARE GIVING VARIOUS PROGRAMS.

THIS WILL INDICATE WHERE THE PRINCIPAL SPENDING BY THE GOM WILL TAKE PLACE. INFORMATION ON LARGE-SCALE PRIVATE EXPANSION PLANS SHOULD ALSO BE OBTAINED. ACTION TWO: ASSIGN TO APPROPRIATE EMBASSY OFFICERS (I.E. COMMERCIAL, AGRICULTURAL, SCIENTIFIC, COMMUNICATIONS, MINERALS AND PETROLEUM, DEFENSE, FISHERIES, ETC.) AREAS OF RESPONSIBILITY AND VIGILANCE FOR OBTAINING AND REPORTING ON PROJECTED GOVERNMENT AND PRIVATE SPENDING. THIS INFORMATION SHOULD BE COORDINATED BY THE COMMERCIAL COUNSELOR.

B. OBJECTIVE TWO: CONTINUATION OF EMBASSY'S MARKET RESEARCH PROGRAM, CARRIED ON THROUGH INDEPENDENT CONTRACTING COMPANIES AND THE MARKET RESEARCH OFFICE OF THE TRADE CENTER IN CONJUNCTION WITH THE TARGET INDUSTRY PROGRAM TO IDENTIFY NEW MARKET OPPORTUNITIES.

ACTION ONE: ASSIGNED COMMERCIAL SECTION OFFICERS WILL SUPPORT RESEARCH PROGRAM BY SUPPLYING INFORMATION GATHERED IN CONNECTION WITH THEIR REGULAR DUTIES AND CERP REPORTING. ACTION TWO: COORDINATE WORK OF CONTRACTED MARKET RESEARCH WITH EMBASSY AND TRADE CENTER RESEARCH PROGRAMS.

C. OBJECTIVE THREE: UPDATE THE LIST OF BEST PROSPECTS FOR TRADE PROMOTION AS OUTLINED IN MEXICO A-646 OF DEC. 18, 1973, AND WHELAN GLOBAL MARKET SURVEY, THROUGH BOTH INDEPENDENT AND TRADE CENTER MARKET RESEARCH. ACTION ONE: IDENTIFY FROM BEST PROSPECT LIST SPECIFIC MARKET OPPORTUNITIES FOR US INDUSTRY. INDEPENDENT RESEARCH STUDIES HAVE BEEN CONTRACTED FOR BIOMEDICAL EQUIPMENT, COMPUTERS, MATERIAL HANDLING EQUIPMENT AND SYSTEMS, ELECTRONIC COMPONENTS, PRINTING AND GRAPHIC ARTS, METALWORKING AND FINISHING EQUIPMENT, ELECTRONIC COMPONENTS, PROCESS CONTROL INSTRUMENTATION. ACTION TWO: FROM STUDIES, IDENTIFY NEW GROWING SUB-CATEGORIES OF INDUSTRIAL AREAS WHICH ARE IMPORTANT IN DEVELOPING ECONOMY OF MEXICO. EXAMPLE: INDUSTRIAL TESTING EQUIPMENT, IN LINE WITH PROGRAM TO UPGRADE TECHNOLOGY STANDARDS.

D. OBJECTIVE FOUR: CONTINUE CONCENTRATION ON ESTABLISHING AND MAINTAINING US PENETRATION OF THE MEXICAN MARKET WITH TARGET INDUSTRIES BY SUPPORTING TRADE CENTER EXHIBITIONS. ACTION ONE: PROVIDE GUIDANCE TO EXHIBITORS ON MEXICAN TRADE LAWS AND PRACTICES, NEW INVESTMENT AND TECHNOLOGY LEGISLATION, BUSINESS CUSTOMS, UNCLASSIFIED

UNCLASSIFIED

PAGE 03 MEXICO 00751 291937Z

FURNISHING COMMERCIAL INFORMATION GATHERED BY THE COMMERCIAL SECTION AND TRADE CENTER. ACTION TWO: PROVIDE NTE AND NTM FIRMS WITH SPECIAL GUIDANCE AND ASSISTANCE TO MEET THEIR INDIVIDUAL CIRCUMSTANCES.

E. OBJECTIVE FIVE: ORGANIZE EXHIBITIONS AND SEMINARS TO TAKE ADVANTAGE OF SPECIFIC CIRCUMSTANCES. BACKGROUND: THE BUILDING MATERIALS SYSTEMS SEMINAR WAS TIED TO GOVERNMENT'S LOW

COST HOUSING PROGRAM, AND THE HIGHLY SUCCESSFUL STEEL SEMINAR PRESENTED THE LATEST TECHNOLOGY TO RAPIDLY EXPANDING STEEL INDUSTRY. THREE SEMINARS WERE PLANNED FOR FY 1974: (1) THE NATIONAL BUREAU OF STANDARDS SEMINAR IN RESPONSE TO GROWING EMPHASIS ON SCIENCE AND TECHNOLOGY, (2) A SEMINAR HELD IN COOPERATION WITH THE NEW GOVERNMENT AGENCY FOR PACKING AND PACKAGING, WHOSE SEMINAR COINCIDED WITH OUR PACKAGING SHOW, AND (3) A COSMETOLOGY SEMINAR THAT WILL BRING THE LEADING EXPERTS FROM THE US TO CORRESPOND TO THE IMPORTANT MARKETS FOR COSMETIC MANUFACTURE NEXT MONTH.

3. A COPY OF OUR CURRENT FUNCTIONAL ALLOCATION OF PERSONNEL RESOURCES ASSIGNED TO COMMERCIAL WORK IS BEING FORWARDED TO COMMERCE (DEPUTY REGIONAL MARKETING DIRECTOR FOR L.A.) IN TODAY'S RAPIDLY CHANGING CIRCUMSTANCES, WHERE SHORTAGES OF MANY ITEMS ARE DEVELOPING, MEXICAN BUYERS MAY NOT BE ABLE TO OBTAIN DELIVERY OF DESIRED ITEMS FROM THE US. IT WILL BE NECESSARY TO REALLOCATE EMBASSY RESOURCES QUICKLY TO MEET CHANGED CIRCUMSTANCES. ADVANCED PLANNING FOR SUCH REALLOCATION WILL BE VERY DIFFICULT, BUT MAXIMUM FLEXIBILITY AND SPEED OF RESPONSE WILL BE ESSENTIAL.
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